

EXHIBIT A

(Revised Redacted Disclosure Schedules)

SCHEDULES
to the
INTEREST PURCHASE AGREEMENT

by and among
LEDGER HOLDINGS INC.,
M 7 HOLDINGS, LLC

and

Solely for purposes of Article I, Article III, Section 4.2, Section 4.3, Section 4.6, Section 4.8,
Section 4.16, Article V, Section 7.2 and Article VIII,
MIAMI INTERNATIONAL HOLDINGS, INC.

Dated as of April 25, 2023

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INTRODUCTION

These Schedules (including the attachments hereto, as amended or restated from time to time, these “Schedules”) constitute the Seller Disclosure Schedule referred to in that certain Interest Purchase Agreement (the “Agreement”), dated as of April 25, 2023, by and among Ledger Holdings Inc., a Delaware corporation (the “Seller”), M 7 Holdings, LLC, a Delaware limited liability company (the “Buyer”) and, solely for purposes of Article I, Article III, Section 4.2, Section 4.3, Section 4.6, Section 4.8, Section 4.16, Article V, Section 7.2 and Article VIII of the Agreement, Miami International Holdings, Inc., a Delaware corporation. Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement. Schedule references correspond to sections of the Agreement unless otherwise specified.

These Schedules are qualified in their entirety by reference to the specific provisions of the Agreement and do not constitute, and shall not be construed as constituting, representations, warranties or covenants of the Seller, except as and to the extent provided in the Agreement or expressly set forth in a particular Schedule. Each Schedule is intended only to qualify and limit the representations, warranties, covenants and agreements of the Seller contained in the Agreement. The inclusion of any facts, items or information, including dollar amounts, in these Schedules shall not in and of itself be construed as an admission that such fact, item or information (or any non-disclosed fact, item or information of comparable or greater significance) is material to the Seller, individually or taken as a whole, and any such disclosure, including dollar amounts, shall not be deemed an acknowledgment or representation that such facts, items or information are material or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Therefore, the inclusion of any item in these Schedules shall not be deemed to be an admission or evidence of materiality of such item.

No disclosure in these Schedules relating to any possible or alleged breach or violation of any Law, Contract or other obligation shall be construed as an admission of liability to any third party, or as an admission against any interest of the Seller or its directors or officers. In disclosing the information in these Schedules, the Seller expressly does not waive any attorney-client privilege associated with such information or any protection afforded by the work-product doctrine with respect to any of the matters disclosed or discussed herein. References in these Schedules to any agreement include references to such agreement’s exhibits, amendments and schedules. Where the terms of a Contract or other disclosure item have been referenced, summarized or described, such reference, summary or description does not purport to be a complete statement of the terms of such Contract or other disclosure item. Any reference in these Schedules to any Contract is to that Contract as modified, supplemented or amended on or prior to the date hereof.

Disclosure of any particular item in any section or subsection of these Schedules with respect to the representations and warranties set forth in Article II of the Agreement, notwithstanding the omission of appropriate cross-references, shall be deemed to be disclosed for all purposes of Article II of the Agreement as long as the relevance of such disclosure to the other sections or sub-sections of the Agreement is reasonably apparent on its face based on a plain reading of such disclosure. The introductory language and section headings within these Schedules are inserted for convenience of reference only and will not affect the meaning or interpretation of the Agreement or these Schedules.

The matters disclosed by the Seller in these Schedules: (1) are Confidential Information (as defined in the Confidentiality Agreement); (2) are being disclosed in these Schedules in

accordance with the terms and subject to the conditions of the Confidentiality Agreement in all respects; and (3) shall be treated by the Buyer strictly in accordance with the terms of the Confidentiality Agreement.

The Seller does not assume any responsibility to any Person that is not a party to the Agreement for the accuracy of any information contained in these Schedules.

Schedule 1.1(a)
Additional Protected Persons

The Persons set forth below, which such Persons are (i) former equityholders of the Seller that are associated with the Buyer (including existing or potential customers, investors in, or other commercial counterparties of the Buyer and/or its Affiliates), (ii) former directors and officers of the Seller and/or the Company, as applicable, and/or (iii) former advisors of the Seller:

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. [REDACTED]
7. [REDACTED]
8. [REDACTED]
9. [REDACTED]
10. [REDACTED]
11. [REDACTED]
12. [REDACTED]
13. [REDACTED]
14. [REDACTED]
15. [REDACTED]
16. [REDACTED]
17. [REDACTED]
18. [REDACTED]
19. [REDACTED]
20. [REDACTED]
21. [REDACTED]

22. [REDACTED]

23. [REDACTED]

24. [REDACTED]

25. [REDACTED]

26. [REDACTED]

Schedule 1.1(b)
Knowledge Persons

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]

Schedule 1.6(a)
Assumed Contracts

1. Offer Letter between the Seller and each of the following individuals (as may be modified by the Employee Claim Waiver):
 - a. [REDACTED], dated November 14, 2019
 - b. [REDACTED], dated March 31, 2020
 - c. [REDACTED], dated April 23, 2018
 - d. [REDACTED], dated May 4, 2021
 - e. [REDACTED], dated April 13, 2021
 - f. [REDACTED], dated November 11, 2021
 - g. [REDACTED], dated November 3, 2021
 - h. [REDACTED], dated January 18, 2022
 - i. [REDACTED], dated April 1, 2022
 - j. [REDACTED], dated April 1, 2022
 - k. [REDACTED], dated February 3, 2021
 - l. [REDACTED], dated February 4, 2021
 - m. [REDACTED], dated December 20, 2019
 - n. [REDACTED], dated June 14, 2021
 - o. [REDACTED], dated October 28, 2021
 - p. [REDACTED], dated November 15, 2019
 - q. [REDACTED], dated June 6, 2020
 - r. [REDACTED], dated May 7, 2021
2. Independent Contractor Agreement between the Seller and [REDACTED], dated October 1, 2019
3. Proprietary Information and Inventions Agreement between the Seller and each of the following individuals:
 - a. [REDACTED], dated February 19, 2014
 - b. [REDACTED], dated November 14, 2019
 - c. [REDACTED], dated April 1, 2020
 - d. [REDACTED], dated April 23, 2018
 - e. [REDACTED], dated May 5, 2021
 - f. [REDACTED], dated May 3, 2021
 - g. [REDACTED], dated November 15, 2021

- h. [REDACTED], dated November 4, 2021
 - i. [REDACTED], dated August 2, 2022
 - j. [REDACTED], dated January 18, 2022
 - k. [REDACTED], dated April 4, 2022
 - l. [REDACTED], dated April 7, 2022
 - m. [REDACTED], dated February 9, 2021
 - n. [REDACTED], dated March 11, 2021
 - o. [REDACTED], dated January 25, 2020
 - p. [REDACTED], dated June 28, 2021
 - q. [REDACTED], dated October 31, 2021
 - r. [REDACTED], dated May 13, 2021
 - s. [REDACTED], dated June 9, 2020
4. AWS Customer Agreement, between Amazon Web Services, Inc. and the Seller, dated November 1, 2018
 5. Amazon Compute Service Level Agreement, between Amazon Web Services, Inc. and the Seller, dated February 12, 2018
 6. Cloudflare Self-Serve Subscription Agreement, between Cloudflare, Inc. and the Seller, dated October 26, 2018, available at <https://www.cloudflare.com/terms/>
 7. Customer Agreement, dated May 22, 2017, between Iron Mountain Information Management, LLC and the Seller
 8. Box Terms of Service, between Box, Inc. and the Seller, dated April 1, 2018, available at <https://www.box.com/legal/termsofservice>
 9. Google Apps Enterprise Agreement and Order Form between Google Inc. and the Seller, dated April 1, 2014
 10. Customer Agreement between the Seller and Modern Treasury Corp., dated July 9, 2020
 11. Services Agreement (including Order Form) between Persona Identities, Inc. and the Seller, dated April 21, 2021
 12. NetSuite Order Estimate between the Seller and Oracle America, Inc., dated March 13, 2018; Fixed Price Statement of Work between the Seller and Oracle America, Inc., dated March 13, 2018, including the Professional Services Agreement referenced therein; and Subscription Services Agreement between the Seller and Oracle America, Inc., dated March 13, 2018
 13. GitLab Subscription Agreement, between GitLab Inc. and the Seller, dated July 1, 2018, available at <https://about.gitlab.com/handbook/legal/subscription-agreement/>; Amendment Order Form, between GitLab Inc. and the Seller, dated July 11, 2022
 14. [REDACTED]

15. Alliance Virtual Offices Subscriber Agreement between the Seller and Alliance Virtual, dated November 25, 2020, available at <https://www.alliancevirtualoffices.com/vo-terms>
16. Vonage Business Cloud Terms of Service, between Vonage Business Inc. and the Seller, dated May 1, 2018, available at <https://www.vonage.com/legal/unified-communications/tos/>
17. Terms of Use between Wolters Kluwer and the Seller, dated September 1, 2018, available at <https://www.wolterskluwer.com/en/terms-of-use>
18. Subscription Agreement by and between AgileBits Inc. dba 1Password and the Seller, dated September 1, 2018, available at <https://1password.com/legal/terms-of-service/>
19. Verizon Wireless Account [REDACTED] between the Seller and Verizon

Schedule 1.6(d)
Potential Assumed Contracts

None.

Schedule 1.6(j)
Non-Executory Assigned Contracts

1. Proprietary Information and Inventions Agreement between the Seller and each of the following individuals:
 - a. Karen Ngai, dated May 8, 2018
 - b. Daniel Akio Kono, dated November 2, 2021
 - c. Nikhil Joshi, dated June 6, 2022
 - d. Meghan McCarthy, dated December 14, 2021
 - e. Roberta Buble, dated August 29, 2017
 - f. Frederick Eugene Aumson, dated January 4, 2020
 - g. Timothy Dunleavy, dated May 18, 2020
 - h. LaWanda Gaither, dated October 1, 2019
 - i. John Paul Rothenberg, dated November 14, 2021
 - j. Sarah Cummings, dated July 19, 2021
 - k. Matthew Zebediah Hunter, dated November 15, 2021
 - l. Julie L. Schoening, dated May 3, 2021
 - m. [REDACTED], dated January 6, 2023
 - n. [REDACTED], dated February 7, 2023
2. Separation Agreement and General Release between the Seller and Glenn Chaleff, dated September 3, 2021
3. Separation Agreement between the Seller and Nikhil Joshi, dated August 19, 2022

Schedule 2.5
Governmental Filings; No Violations

2.5(b)

1. KOR Universal Services Agreement, dated as of July 19, 2022, by and between the Company and KOR Financial, Inc., as supplemented by the KOR SDR Reporting Client Addendum, dated as of July 19, 2022, by and between Company and KOR Financial, Inc.
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. AWS Customer Agreement, between Amazon Web Services, Inc. and the Seller, dated November 1, 2018
6. Amazon Compute Service Level Agreement, between Amazon Web Services, Inc. and the Seller, dated February 12, 2018
7. Customer Agreement between the Seller and Modern Treasury Corp., dated July 9, 2020
8. Services Agreement (including Order Form) between Persona Identities, Inc. and the Seller, dated April 21, 2021
9. Box Terms of Service, between Box, Inc. and the Seller, dated April 1, 2018, available at <https://www.box.com/legal/termsofservice>
10. GitLab Subscription Agreement, between GitLab Inc. and the Seller, dated July 1, 2018, available at <https://about.gitlab.com/handbook/legal/subscription-agreement/>; Amendment Order Form, between GitLab Inc. and the Seller, dated July 11, 2022
11. Subscription Agreement by and between AgileBits Inc. dba 1Password and the Seller, dated September 1, 2018, available at <https://1password.com/legal/terms-of-service/>
12. Cloudflare Self-Serve Subscription Agreement, between Cloudflare, Inc. and the Seller, dated October 26, 2018, available at <https://www.cloudflare.com/terms/>
13. [REDACTED]
14. Vonage Business Cloud Terms of Service, between Vonage Business Inc. and the Seller, dated May 1, 2018, available at <https://www.vonage.com/legal/unified-communications/tos/>

Schedule 2.6(a)
Financial Statements and Financial Matters

(Attached)



FINANCIAL STATEMENTS

And Report of Independent Certified Public Accountants

December 31, 2021

LedgerX LLC

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
LedgerX LLC

Opinion

We have audited the financial statements of LedgerX LLC (a Delaware Limited Liability Company) (the "Company"), which comprise the statement of financial condition as of December 31, 2021, and the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

New York, New York
March 28, 2022

LedgerX LLC
Statement of Financial Condition
As of December 31, 2021

Assets

Cash and cash equivalents	\$1,961,762
Restricted cash	261,801,536
Participant margin deposits	70,129,953
ACH reserve deposits	1,000,044
Digital assets owned, at fair value	58,591
Other current assets	787,141
Investment in LedgerPrime Digital Asset Opportunities Fund, LLC	2,719,647
Total Assets	\$338,458,674

Liabilities and Member's Equity

Accounts payable and other liabilities	1,007,503
Participant margin deposits	70,129,953
ACH reserve deposits	1,000,044
Contract liability	675,000
Total Liabilities	\$72,812,500

Commitments and Contingencies (Footnote 7)

Total Member's Equity	\$265,646,174
Total Liabilities and Member's Equity	\$338,458,674

LedgerX LLC
Statement of Operations
Year ended December 31, 2021

Revenues

Trading fees	\$1,655,149
Clearinghouse fees	145,014
Withdrawal fees	197,865

Total Revenues	\$1,998,028
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Expenses

Communications and technology	860,381
Trading and clearing fees	436,224
Compensation and employer taxes	1,572,040
Professional fees and outside services	2,445,753
General & administrative	22,035
Management charge	2,662,538
Other Expenses	162,590

Total Expenses	\$8,161,561
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Net Operating Loss	(\$6,163,533)
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Other Income

Investment in LedgerPrime Digital Asset Opportunities Fund, LLC	1,996,314
Unrealized digital assets gain / (loss)	113,808
Other non-operating income / (expense)	(41,583)

Total Other Income	\$2,068,539
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Net Loss	(\$4,094,994)
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LedgerX LLC
Statement of Changes in Member's Equity
As of December 31, 2021

	Member's Equity
Balance at January 1, 2021	\$3,734,479
Capital contributions	266,362,190
Capital distributions	(355,501)
Net Loss	(4,094,994)
Balance at December 31, 2021	\$265,646,174

LedgerX LLC
Statement of Cash Flows
Year ended December 31, 2021

Cash flows from operating activities:

Net loss	(\$4,094,994)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Expenses paid by Member	3,107,290
Expenses paid to Member	(355,501)
Share in LedgerPrime Digital Asset Opportunities Fund, LLC	(1,996,314)
Change in operating assets and liabilities:	
Digital assets owned, at fair value	(15,275)
Other current assets	(737,386)
Accounts payable and other liabilities	431,056
Participant margin deposits	49,984,077
ACH reserve deposits	1,000,044
Contract liability	225,000
Net Cash, Cash Equivalents and Restricted Cash Provided by Operating Activities	\$47,547,997

Cash flows from investing activities:

Investment in LedgerPrime Digital Asset Opportunities Fund, LLC	(2,460,000)
Redemption of investment in LedgerPrime Digital Asset Opportunities Fund, LLC	1,736,668
Net Cash, Cash Equivalents and Restricted Cash Used in Investing Activities	(\$723,332)

Cash flows from financing activities:

Capital contributions	263,254,900
Net Cash, Cash Equivalents and Restricted Cash Provided by Financing Activities	\$263,254,900

Net change in cash, cash equivalents and restricted cash	310,079,565
Cash, cash equivalents and restricted cash, beginning of year	24,813,730
Cash, Cash Equivalents and Restricted Cash, End of Year	334,893,295

Reconciliation of cash, cash equivalents and restricted cash:

Cash and cash equivalents	1,961,762
Restricted cash	261,801,536
Participant margin deposits	70,129,953
ACH reserve deposits	1,000,044
Total	334,893,295

Supplemental Disclosure of Cash Flow Information

Deemed capital contributions for expenses paid by Member	3,107,290
Deemed capital distributions for expenses paid to Member	(355,501)
Total	2,751,789

1. DESCRIPTION OF BUSINESS

LedgerX LLC (“LedgerX” or the “Company”), a Delaware limited liability company, was organized on April 8, 2014 as a wholly owned subsidiary of its parent company, Ledger Holdings Inc. (“Ledger Holdings” or “Parent”), formerly known as NYBX Inc.

LedgerX is a trading and clearing platform that has been granted regulatory approval from the U.S. Commodity Futures Trading Commission (“CFTC”) to trade and clear swaps and options on Bitcoin and other digital assets. LedgerX is registered with the CFTC as a Swap Execution Facility (“SEF”), Derivatives Clearing Organization (“DCO”), and Designated Contract Market (“DCM”); the Company’s approvals were granted on July 6, 2017, July 24, 2017, and June 24, 2019, respectively.

On October 16, 2017, the Company commenced its principal business activities, making LedgerX the first federally regulated exchange and clearing house to list and clear fully-collateralized, physically settled Bitcoin swaps and options for the institutional market, as well as other eligible participants, including US persons in the retail market. On June 30, 2021, the Company began to list and clear fully-collateralized, physically settled Ethereum swaps and options.

LedgerX generates revenue primarily from transaction and clearing fees for trades executed on its exchange and contracts centrally cleared in its clearing house. On September 2, 2020, the CFTC approved an amended DCO order of registration, removing the digital assets and swaps restrictions on cleared products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates

The financial statements are prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”). The Company’s primary business activities are consistent with those of brokers and dealers. As a result, the Company follows the accounting and reporting guidance applicable to brokers and dealers in FASB ASC 940, Brokers and Dealers. This guidance requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the accompanying notes. Material estimates that are susceptible to significant change relate to the valuation of digital assets. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ materially from those estimates.

Liquidity and Going Concern

LedgerX has required significant amounts of capital to support its operations prior to the commencement of its business activities and will continue to require such amounts until the Company is able to generate a steady revenue stream from its principal activities.

Due to the nature of the Company's business, working capital is required to support the Company's legal and regulatory compliance costs, as well as its normal operating costs.

During the period from inception through October 12, 2021, the Company's operations have mostly been funded by Ledger Holdings, which raised capital primarily through private sales of equity.

On October 13, 2021, Ledger Holdings was acquired by West Realm Shires Inc., the parent of West Realm Shires Services Inc. ("FTX.US").

The Company's financial statements are prepared as though the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern, including securing additional capital and/or borrowings.

Fair Value Measurement and Fair Value of Digital Assets

LedgerX's digital assets and liabilities, including its Bitcoin and Ethereum held, are recorded at fair value at December 31, 2021. In September 2015, the CFTC determined that Bitcoin and other digital assets are commodities; as such, the Company's digital assets are held at fair value in accordance with ASC 330 – Inventory, which provides guidance for stating costs of precious metals having a fixed monetary value with no substantial cost of marketing. In accordance with ASC 820 – Fair Value Measurement, the Company determines the fair value of digital assets in U.S. dollars ("USD") on its balance sheet using the prevailing spot market price on the last day of the applicable reporting period.

To determine the principal market for a digital asset, the Company considers only digital asset exchanges that have sufficient volume and liquidity, have a U.S. presence, have an online platform, and publish transaction price and volume data continuously. The principal market must also be compliant with U.S. federal and state licensing requirements and practices regarding anti-money laundering procedures. The Company reviews and determines its principal market at least annually, or more frequently as needed.

Due to the above requirements as well as other factors, and in accordance with ASC 820 – Fair Value Measurement, the Company has chosen Gemini Exchange, LLC ("Gemini") to be the principal market for digital assets at December 31, 2021. The Company determines the fair value of digital assets, in U.S. dollars ("USD"), on its balance sheet using the prevailing spot market price provided by Gemini on the last day of the accounting period.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2: Inputs are observable, unadjusted quoted prices in active markets for similar assets and liabilities, unadjusted quotes prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and,

Level 3: Unobservable inputs that are supported by little or no market data for the related assets or liabilities.

The categorization of digital assets within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

	December 31, 2021			
Assets	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Digital assets owned, at fair value*	--	\$58,591	--	\$58,591

*At December 31, 2021, Bitcoin and Ethereum were the only digital assets held by LedgerX.

Investment in LedgerPrime Digital Asset Opportunities Fund, LLC

The Company's investment in the LedgerPrime Digital Asset Opportunities Fund, LLC (the "Fund") is reported at fair value. U.S. GAAP guidance provides for the use of net asset value ("NAV") as a "Practical Expedient" for estimating the fair value of alternative investments. NAV reported by the Fund's Administrator is used as a practical expedient to estimate the fair value of the Company's investment therein.

At December 31, 2021, the Company's investment in the Fund was approximately \$2.7M and is recorded at fair value on the accompanying Statement of Financial Condition.

3. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

Cash, cash equivalents, and restricted cash consists of highly liquid investments with a maturity of three months or less at the time of purchase, at various banks.

The Company currently maintains proprietary operating cash accounts at federally insured U.S. banks in non-interest bearing checking accounts, money market funds, or other highly liquid short-term investments that are easily accessible and readily convertible into cash. The Company places its deposits with highly rated financial

institutions; however, a portion of these investments may exceed FDIC-insured levels from time to time.

Cash, cash equivalents, and restricted cash totaled approximately \$334.9M at December 31, 2021. Cash used for the operations of the business was approximately \$2.0M at December 31, 2021.

The Company also maintains restricted cash, which is not available for general business purposes because of regulatory or other restrictions. Under CFTC Regulation §39.11(a)(2), the Company is required to maintain sufficient liquid resources to cover at least one year of projected operating expenses. At December 31, 2021, the Company had approximately \$11.8M in cash reserved in order to satisfy its regulatory capital requirement for the combined SEF, DCO, and DCM. This cash was included in restricted cash. The Company also held \$250M in restricted cash which is intended to fund a separate "Guaranty Fund" if in the future the CFTC authorizes the clearing house to offer margin services. Under those regulations, the clearing house will also be required to reserve against the potential default of its largest clearing member (sometimes referred to as a "Guaranty Fund").

Participant margin deposits consist of participant U.S. dollar ("USD") margin deposits of approximately \$70.1M, which are held in a LedgerX participant custody account ("Custody Account") and are appropriately segregated from LedgerX proprietary operational accounts ("LedgerX Proprietary Account"). The only transfers between the Custody Account to a LedgerX Proprietary Account are the withdrawal of fees owed from participants to LedgerX. Fees are accrued during the month and are transferred to the LedgerX Proprietary Account after the month-end date.

ACH reserve deposits consist of approximately \$1.0M in U.S. dollars ("USD"). LedgerX's clearing house acts as a counterparty to all trades consummated on a third-party exchange, KalshiEX LLC ("Kalshi"). These trades are fully collateralized in USD and in order to trade on Kalshi, a participant must deposit USD to LedgerX's Custody Account via wire or via the Automated Clearing House network ("ACH"). For participants that select to deposit via ACH, there is default risk on their deposits due to lack of liquidity, operational failure or other reasons. In order to ensure the full collateralization of trading with Kalshi participants, the Company has required Kalshi to set aside a reserve to cover any such potential participant defaults, and we establish and monitor thresholds and reserve requirements for such a reserve. Currently, the Kalshi reserve requirement is \$1.0M.

Cash, cash equivalents, and restricted cash at December 31, 2021 was as follows:

Cash and cash equivalents	\$1,961,762
Restricted Cash	261,801,536
Participant margin deposits	70,129,953
ACH reserve deposits	1,000,044
Total	\$334,893,295

4. PARTICIPANT MARGIN DEPOSITS

Full-Collateralization

Generally, participant agreements require that accounts and transactions be fully-collateralized, which requires that participants post sufficient cash (USD) and/or digital asset margin deposits prior to trade execution in order to satisfy the maximum potential loss on all open positions. In addition, Participants may opt into a collateral netting system that allows a Participant's required collateral for a given option to be netted with the Participant's other options of the same type and term. In all cases, LedgerX still holds the maximum potential loss on the entire portfolio of positions.

Cash participant margin deposit balances are recorded as an asset and offsetting liability (participant margin deposits) on the statement of financial condition. Bitcoin and Ethereum margin deposits are not reflected on the financial statements, and instead are recorded off-balance sheet. Cash and digital assets held as participant margin deposits at fair value at December 31, 2021 were as follows:

Cash participant margin deposits	\$70,129,953
Digital asset margin deposits	<u>\$410,653,228</u>
Total	<u>\$480,783,181</u>

LedgerX maintains custody of participant digital asset margin deposits on behalf of participants to support their trading portfolio. The Company has control of the participant's crypto, held at BitGo Trust on behalf of LedgerX (for cold wallets) and BitGo by LedgerX (for hot and warm wallets). Participant digital asset margin deposits are maintained in the Company's participant digital wallets and are not commingled with LedgerX's proprietary digital assets. The Company uses consolidated wallets to pool participants' digital assets but maintains a separate ledger to designate each participant's digital asset balance. At December 31, 2021, Bitcoin and Ethereum were the only two digital assets held by the Company and traded on the exchange.

5. ACH RESERVE DEPOSITS

The clearing house performs the role of central counterparty ("CCP") to each trade matched by exchanges that clear through the clearing house, including Kalshi. The original trade between a buyer and seller is novated such that the CCP steps between the initial parties to become their new substitute counterparty. In that way, the clearinghouse becomes the buyer to every seller and the seller to every buyer, thereby ensuring the future performance of all open contracts. The clearing house is able to sustain this role by having precisely equal and offsetting claims to and from participants on the opposite sides of each contract.

Currently, the clearinghouse also ensures its ability to perform the role of CCP by requiring that all funds and other assets needed to perform a trade be on deposit with the clearing house before a trade is accepted for clearing (i.e., fully collateralized trading). Kalshi's acceptance of deposits using the ACH system introduces some potential risk that funds deposited in that way and used to trade could be returned to the originating account after a trade has been matched and cleared. The clearing house has managed that risk by requiring that Kalshi and its parent company guarantee the clearing house against any ACH returns, and requiring that Kalshi maintain on deposit a minimum of \$1.0M in the form of cash in a bank account controlled by LedgerX (for the benefit of Kalshi), which the Company is authorized to use to fund any such ACH returns. At December 31, 2021, ACH reserve deposits, deposited by Kalshi, was approximately \$1.0M and is recorded on the accompanying Statement of Financial Condition.

6. MEMBER'S EQUITY

A. Member's Equity and Regulatory Capital

Under CFTC Regulation §39.11(a)(2), LedgerX is required to maintain sufficient liquid resources to cover at least one year of projected operating expenses. On September 30, 2015, the Ledger Holdings Board elected to pay all expenses incurred by LedgerX, to date and going forward, as a capital contribution to LedgerX until the Ledger Holdings Board resolves otherwise. On May 9, 2017, the Ledger Holdings Board adopted a resolution to make capital contributions to LedgerX on an ongoing basis to the extent such contributions are necessary to ensure that LedgerX maintains adequate regulatory capital, including, without limitation, amounts required to pay any ongoing expenses or relating to any increase in required regulatory capital. In accordance with the *Amended and Restated Limited Liability Company Agreement of LedgerX LLC* ("LLC Agreement"), Section 3.2(b), no interest shall accrue on the capital contribution, nor does the Parent have any right to withdraw or be repaid any capital contribution to the Company.

At December 31, 2021, LedgerX had approximately \$11.8M in cash reserved in order to satisfy its regulatory capital requirement for the combined SEF, DCO, and DCM, as explained above in Note 3.

For regulatory purposes, a 35% allowance is applied to the investment in the Fund in order to calculate the portion of the Fund attributed to the regulatory capital requirement under CFTC Regulation §39.11(a)(2).

B. Ledger Holdings and West Realm Shires Equity Incentive Plans

On May 19, 2014, Ledger Holdings adopted an equity incentive plan that provided for the grant of stock awards, options, and other awards to directors, employees, consultants or other persons who provide services to the Company, and thereafter issued options pursuant to such plan. The terms and conditions of each option award, including a typical 4-year vesting schedule with 1-year cliff, restrictions or limitations and any vesting acceleration (whether upon a change in control or otherwise), or forfeiture waiver regarding any award and the shares relating thereto, were determined by the Ledger Holdings Board or any

relevant board-appointed committee.

On October 13, 2021 (the “acquisition date”), the acquisition of Ledger Holdings by FTX.US closed. Specifically, West Realm Shires Inc., the parent of FTX.US, acquired 100% of the outstanding shares of Ledger Holdings, including payments to shareholders of options in consideration of the cancellation of such options. As of the acquisition date, West Realm Shires Inc. is the 100% owner of Ledger Holdings and as such, the Ledger Holdings equity incentive plan was terminated.

As part of the acquisition, LedgerX became eligible for the 2020 Equity Incentive Plan adopted by West Realm Shires Inc. This plan provides for the grant of options, restricted stock units and stock appreciation rights (“SARs”) to attract, retain and motivate eligible persons who present current and potential contributions to the success of West Realm Shires Inc. As of the date of the merger and thereafter, West Realm Shires Inc. issued options pursuant to this plan. The terms and conditions of each option award, including a typical 4-year vesting schedule with a 1-year cliff, restrictions or limitations and any vesting acceleration (whether upon a change in control or otherwise), or forfeiture waiver regarding any award and the shares relating thereto, were determined by the West Realm Shires Inc. Board or any relevant board-appointed committee.

7. COMMITMENTS AND CONTINGENCIES

A. Commitments

In the ordinary course of business, the Company may enter into certain unconditional purchase obligations which are agreements to purchase goods or services that are enforceable, legally binding, and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the purchase transaction.

B. Litigation

From time to time, the Company may be involved in legal matters which are handled in the ordinary course of business. Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter, the Company will accrue the anticipated loss amount. The Company continuously monitors litigation proceedings as they develop and adjusts any accrual or disclosure as needed.

8. RELATED PARTY TRANSACTIONS

In accordance with the *Intercompany Services Agreement between Ledger Holdings Inc. and LedgerX LLC* (“Intercompany Services Agreement”), LedgerX is required to reimburse Ledger Holdings on an annual basis for all expenses incurred by or on behalf of LedgerX, subject to policies, procedures or resolutions adopted by the Ledger Holdings Board. During the year ended December 31, 2021, LedgerX incurred approximately \$2.7M in management charge expenses which are included within the accompanying Statement

of Operations.

On September 30, 2015, the Ledger Holdings Board elected to pay all expenses incurred by LedgerX, to date and going forward, as a capital contribution to LedgerX until the Ledger Holdings Board resolves otherwise. On May 9, 2017, the Ledger Holdings Board adopted a resolution to make capital contributions to LedgerX on an ongoing basis to the extent such contributions are necessary to ensure that LedgerX maintains adequate regulatory capital, including, without limitation, amounts required to pay any ongoing expenses or relating to any increase in required regulatory capital. In accordance with Section 3.2(b), no interest shall accrue on the capital contribution, nor does the Parent have any right to withdraw or be repaid any capital contribution to the Company.

From April through June 2021, Ledger Holdings issued convertible debt of approximately \$3.1M. 100% of LedgerX was pledged as collateral.

On October 13, 2021, the acquisition of Ledger Holdings by FTX.US closed. Specifically, West Realm Shires Inc., the parent of FTX.US, acquired 100% of the outstanding shares of Ledger Holdings. On October 8, 2021, prior to the acquisition, all convertible notes automatically converted to shares equal to the outstanding principal amount of the note plus accrued but unpaid interest thereon. As a result, as of October 13, 2021, Ledger Holdings has no approved, issued or outstanding convertible notes.

On October 15, 2021, Ledger Holdings contributed \$10.0M of unencumbered cash to LedgerX's regulatory reserve account. On November 4, 2021, Ledger Holdings contributed approximately \$3.0M of operating cash to LedgerX. The \$10.0M and \$3.0M cash contributions were recorded within capital contributions on the accompanying Statement of Changes in Member's Equity and Statement of Cash Flows.

On December 15, 2021, Ledger Holdings contributed \$250M unencumbered cash to LedgerX's regulatory reserve account with the purpose of it to be used for LedgerX's default waterfall insurance as part of LedgerX's intention to offer margin services. Currently, the Company is only required to maintain operating reserves, and the existing regulatory reserve account is intended for that purpose. If in the future the CFTC authorizes the clearing house to offer margin services, then the clearing house will also be required to reserve against the potential default of its largest clearing member (sometimes referred to as a "Guaranty Fund"). Currently, \$250M of the funds on deposit in the operational regulatory reserve account is intended to fund that separate "Guaranty Fund". At December 31, 2021, LedgerX's total regulatory reserve was \$261.8M and is recorded as restricted cash on the accompanying Statement of Financial Condition.

On January 4, 2021, LedgerX invested approximately \$2.5M in the LedgerPrime Digital Asset Opportunities Fund, LLC. The Fund is a Cayman Islands exempted limited partnership. The Fund is managed by LedgerPrime, LLC ("LedgerPrime"), a wholly owned subsidiary of Ledger Holdings. LedgerPrime serves as the general partner of the Fund and is responsible for the Fund's investment and trading activities and for its administration and day-to-day business operations. LedgerX's investment in the Fund was

used as reserved capital in order to satisfy its regulatory capital requirement under CFTC Regulation §39.11(a)(2).

During the year ended December 31, 2021, LedgerX's investment in the Fund appreciated approximately \$2.0M, which is recorded under Other Income on the accompanying Statement of Operations, and LedgerX redeemed approximately \$1.7M of the Fund, which are both recorded on the accompanying Statement of Cash Flows. As of December 31, 2021, LedgerX's investment in the Fund was approximately \$2.7M and is recorded on the accompanying Statement of Financial Condition.

LedgerPrime is a market making and proprietary trading firm that is a participant on the LedgerX platform. LedgerPrime and LedgerX are both wholly owned subsidiaries of Ledger Holdings. At December 31, 2021, LedgerPrime's margin deposits, at fair value, on the LedgerX platform were approximately \$0.6M. During the year ended December 31, 2021, transaction and clearing fees generated from LedgerPrime were approximately \$0.5K. The Fund is also a participant on the LedgerX platform, and as of December 31, 2021 the Fund's margin deposits, at fair value on the LedgerX platform were approximately \$13.5M. During the year ended December 31, 2021, transaction and clearing fees generated from the Fund were approximately \$50K.

Expenses paid to LedgerX's independent board of directors were \$52K during the year ended December 31, 2021 and are recorded within Professional Fees in the accompanying Statement of Operations.

9. CENTRAL COUNTERPARTY FUNCTION

LedgerX performs a central counterparty function that ensures the financial integrity of the markets in which it clears contracts by ensuring that the obligations of these contracts are fulfilled.

When orders are successfully matched, LedgerX's clearing house, through the process of novation, is substituted as seller to the participant buying and as buyer to the participant selling the relevant exchange contract. Upon this substitution, the buying and selling participants are released from their obligations to each other, effectively eliminating counterparty credit risk between the participants, and are deemed to have bought the exchange contract from or sold the exchange contract to the LedgerX clearing house. LedgerX's clearing house then obtains all the rights and is subject to all the liabilities of the participants with respect to those transactions. At December 31, 2021, the fair value of the open interest contracts cleared and settled by LedgerX was approximately \$32.6M.

All participant accounts and transactions are fully collateralized, which requires that participants post sufficient cash (USD) and/or digital asset margin deposits prior to trade execution in order to satisfy the maximum potential loss on all open positions.

10. REVENUE RECOGNITION

A. Transaction and Clearing Fees

LedgerX generates revenue primarily from transaction and clearing fees for trades executed on its exchange and contracts centrally cleared in its clearing house.

Trading Fees

Trading fees, which are charged in USD as one combined fee on a per contract basis, accrue to participants throughout the month, and are then transferred from LedgerX's settlement bank custody account to LedgerX's proprietary operating account after the last business day of the month. Transaction fees are recognized as revenue when a buy and sell order are matched and the trade is cleared; therefore, unfilled or canceled buy and sell orders have no impact on revenue. For the year ended December 31, 2021, transaction fees were approximately \$1.7M and are included within the accompanying Statement of Operations.

At December 31, 2021, the Company's fee schedule was as follows:

Product	Trading Fee
Bitcoin Mini Options*	\$0.15/contract. 1 contract = 0.01 BTC
Bitcoin Mini Futures	\$0.05/contract. 1 contract = 0.01 BTC
Bitcoin Mini Next Day	\$0.05/contract. 1 contract = 0.01 BTC
ETH Deci Options	\$0.15/contract. 1 contract = 0.10 ETH
ETH Next Day	\$0.05/contract. 1 contract = 0.10 ETH

*The fee can never be higher than 20% of the option premium per contract. If \$0.15 is more than 20% of the option premium per contract, the fee will be 20% of the option premium per contract.

Clearinghouse Fees

Clearinghouse fees are charged in USD per contractual agreement with third-party exchanges, including Kalshi. Clearinghouse fees also include the recognition of contract liabilities, which consists of set-up fees, over the term of individual third-party contracts in accordance with ASC 606, for those exchanges that have been launched and are actively cleared through the Company's clearinghouse, which also includes Kalshi.

On June 2, 2021, the Company executed a Clearing Services Agreement with [REDACTED] and [REDACTED] (individually and collectively [REDACTED]), to provide clearing services for their future Designated Contract Market. In June 2021, [REDACTED] paid a

██████ set-up fee that was recorded within contract liability in the accompanying Statement of Financial Condition that will be recognized over the 3-year long initial term of the contract once the launch date has been met.

For the year ended December 31, 2021, clearinghouse fees were approximately \$145K and are included within the accompanying Statement of Operations.

B. Withdrawal Fees

Fees for digital asset withdrawals are charged in the respective digital asset at the time of withdrawal. Fee revenue is recognized as these services are rendered. During the year ended December 31, 2021, LedgerX charges no USD withdrawal fees and no wire fees.

At December 31, 2021, the BTC withdrawal fee is 0.00025 BTC and the ETH withdrawal fee is 0.0004 ETH. At the end of every applicable reporting period, the withdrawal fees are translated into USD denomination using the prevailing spot market price on the last day after the reporting period. For the year ended December 31, 2021, withdrawal fees were approximately \$200K and are included within the accompanying Statement of Operations.

C. Unrealized Gains/(Losses) On Digital Assets

The Company's digital assets and liabilities, including its Bitcoin and Ethereum owned, are recorded at fair value under ASC 330 Inventories. Digital assets and liabilities are marked to market as described above in note 2 "Fair Value Measurement and Fair Value of Digital Assets". The fair valuing of the Company's Bitcoin and Ethereum held, which are owned in order to facilitate the processing of participant transactions to the Bitcoin and Ethereum network, may result in recorded net unrealized gains or losses. Digital asset gains or losses are not in scope for Topic 606 as they are not generated from contracts with customers.

11. EXPENSES

A. Communication and Technology

Communication and technology expense consist of cost related to support the Company's operations, including the costs required to maintain our hardware and software. It also includes costs related to our third-party digital wallet, our cloud computing platform and fees paid for access to external market data. These expenses are variable and may be driven by system capacity, functionality, and business growth.

B. Trading and Clearing Fees

Trade and clearing fees relate to the network transaction fees the Company pays to process physical collateral withdrawals. The network fee necessary for a transaction to confirm fluctuates over time depending on the supply and demand in the digital asset's free market for block space. At the end of every applicable reporting period, the trade and clearing fees are translated into USD denomination using the prevailing spot market price

on the last day of the applicable reporting period.

C. Insurance

Insurance expense related to the Company's commercial crime policy and certain other insurance-related expenses, from which the Company derives a benefit, are incurred by the Parent and are subsequently allocated to the Company via a management charge.

D. Professional Fees and Outside Services

Professional fees and outside services include amounts paid to directors, outside consultants and other service professionals for consulting, as well as legal, regulatory, audit and technology- related services.

E. Income Taxes

The Company is a single-member limited liability company and was structured as a disregarded entity for U.S. federal, state and local income tax purposes. As a subsidiary of Ledger Holdings, LedgerX's activity is included in the U.S. federal, state and local income tax returns of its Parent. Accordingly, no provision for taxes is currently made in the Company's financial statements.

12. SUBSEQUENT EVENTS

Management has evaluated events and transaction that may have occurred since December 31, 2021 through March 28, 2022, the date that the financial statements were available to be issued, and noted no material events requiring either recognition as of December 31, 2021 or disclosure herein for LedgerX, other than the below:

- On January 28, 2022, LedgerX and LedgerPrime approved a request to transfer 100% of LedgerX's interest in the Fund, valued as of December 31, 2021, to LedgerPrime with an effective date of January 1, 2022. In consideration of the transfer, LedgerX received \$2.8M in cash in January 2022 from West Realm Shires Inc., who was acting on behalf of LedgerPrime LLC.



FINANCIAL STATEMENTS

And Report of Independent Certified Public Accountants

December 31, 2022

LedgerX LLC

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
LedgerX LLC

Opinion

We have audited the financial statements of LedgerX LLC (a Delaware Limited Liability Company) (the "Company"), which comprise the statement of financial condition as of December 31, 2022, and the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

New York, New York
March 31, 2023

LedgerX LLC
Statement of Financial Condition
As of December 31, 2022

Assets

Cash and cash equivalents	\$104,874,987
Participant margin deposits	17,172,195
ACH reserve deposits	908,833
Accounts and other receivable, net of allowance	2,091,186
Digital assets owned, at fair value	38,819
Other current assets	739,089
Other assets	8,963
Total Assets	\$125,834,072

Liabilities and Member's Equity

Accounts payable and other liabilities	6,377,696
Participant margin deposits	17,172,195
ACH reserve deposits	2,256,063
Contract liability	1,250,000
Total Liabilities	\$27,055,954

Commitments and Contingencies (Footnote 7)

Total Member's Equity	\$98,778,118
Total Liabilities and Member's Equity	\$125,834,072

LedgerX LLC
Statement of Operations
Year ended December 31, 2022

Revenues

Trading fees	\$1,170,290
Clearinghouse fees	403,990
Withdrawal fees	26,471

Total Revenues	\$1,600,751
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Expenses

Communications and technology	2,209,584
Trading and clearing fees	119,437
Compensation and employer taxes	7,771,736
Professional fees and outside services	5,679,058
General & administrative	314,253
Management charge	2,643,336
Other Expenses	186,257

Total Expenses	\$18,923,661
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Net Operating Loss	(\$17,322,910)
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Other Income / (Expense)

Interest Income	12,163
Unrealized digital assets gain / (loss)	(43,791)
Other non-operating income / (expense)	(1,975,000)

Total Other Income / (Expense)	(\$2,006,628)
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Net Loss	(\$19,329,538)
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LedgerX LLC
Statement of Changes in Member's Equity
As of December 31, 2022

	Member's Equity
Balance at January 1, 2022	\$265,646,174
Capital contributions	27,461,482
Capital distributions	(175,000,000)
Net Loss	(19,329,538)
Balance at December 31, 2022	\$98,778,118

LedgerX LLC
Statement of Cash Flows
Year ended December 31, 2022

Cash flows from operating activities:

Net loss	(\$19,329,538)
Adjustments to reconcile net loss to net cash used in operating activities:	
Expenses paid by Member	131,129
Change in operating assets and liabilities:	
Accounts and other receivables, net of allowance	(1,906,844)
Digital assets owned, at fair value	19,772
Other current assets	(136,290)
Other assets	(8,963)
Accounts payable and other liabilities	5,370,193
Participant margin deposits	(52,957,758)
ACH reserve deposits	1,256,019
Contract liability	575,000

Net Cash and Cash Equivalents Used In Operating Activities**(\$66,987,280)****Cash flows from investing activities:**

Redemption of investment in LedgerPrime Digital Asset Opportunities Fund, LLC	2,800,000
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Net Cash and Cash Equivalents Provided By Investing Activities**\$2,800,000****Cash flows from financing activities:**

Capital contributions	27,250,000
Capital distributions	(175,000,000)

Net Cash and Cash Equivalents Used In Financing Activities**(\$147,750,000)**

Net change in cash and cash equivalents	(211,937,280)
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Cash and cash equivalents, beginning of year	334,893,295
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Cash and Cash Equivalents, End of Year	122,956,015
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Reconciliation of cash and cash equivalents:

Cash and cash equivalents	104,874,987
Participant margin deposits	17,172,195
ACH reserve deposits	908,833
Total	122,956,015

1. DESCRIPTION OF BUSINESS

LedgerX LLC (“LedgerX” or the “Company”), a Delaware limited liability company, was organized on April 8, 2014, as a wholly owned subsidiary of its parent company, Ledger Holdings Inc. (“Ledger Holdings” or “Parent”), formerly known as NYBX Inc.

LedgerX is a trading and clearing platform that has been granted regulatory approval from the U.S. Commodity Futures Trading Commission (“CFTC”) to trade and clear futures, swaps and options. LedgerX is registered with the CFTC as a Swap Execution Facility (“SEF”), Derivatives Clearing Organization (“DCO”), and Designated Contract Market (“DCM”); the Company’s approvals were granted on July 6, 2017, July 24, 2017, and June 24, 2019, respectively.

On October 16, 2017, the Company commenced its principal business activities, making LedgerX the first federally regulated exchange and clearing house to list and clear fully-collateralized, physically settled Bitcoin swaps and options for the institutional market, as well as other eligible participants, including US persons in the retail market. On June 24, 2019, the Company began to list and clear fully-collateralized, physically settled Bitcoin futures. On June 30, 2021, the Company began to list and clear fully-collateralized, physically settled Ethereum swaps and options.

On May 24, 2020, through its clearinghouse, the Company executed its first Clearing Service Agreement (“CSA”) with a third-party exchange that provides clearing and settlement services. LedgerX’s clearing business strives to be the first stop for startup exchanges.

On October 13, 2021, Ledger Holdings was acquired by West Realm Shires Inc., the parent of West Realm Shires Services Inc. (“FTX.US”). On November 11, 2022, and November 14, 2022, FTX Trading Ltd., West Realm Shires Inc., and other affiliated entities, including Ledger Holdings, filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “FTX Bankruptcy”). The Company was not included in the bankruptcy filings and continues its operations in the normal course of business.

LedgerX generates revenue primarily from transaction and clearing fees for trades executed on its exchange and contracts centrally cleared in its clearing house. On September 2, 2020, the CFTC approved an amended DCO order of registration, removing the digital assets and swaps restrictions on cleared products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates

The financial statements are prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP"). US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the accompanying notes. Material estimates that are susceptible to significant change relate to the valuation of digital assets and determination of allowance for doubtful accounts. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ materially from those estimates.

Recently Adopted Accounting Pronouncements

On February 25, 2016, the FASB released ASU 2016-02, Leases, which codifies ASC 842 and replaces the guidance in ASC 840. ASU 2016-02 requires lessees to recognize a right-of-use ("ROU") asset and a lease liability on the balance sheet for substantially all leases, except for short-term leases. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the Statement of Operations. The Company adopted the standard on January 1, 2022. The adoption of the standard did not materially impact the Company's financial statements.

Liquidity and Going Concern

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the date the financial statements are available for issuance. LedgerX has required significant amounts of capital to support its operations prior to the commencement of its business activities and will continue to require such amounts until the Company is able to generate a steady revenue stream from its principal activities. The Company's ability to continue operations after its current cash resources are exhausted depends on it successfully securing additional financing or achieving profitable operations in the medium term.

U.S. GAAP requires that a Company evaluate at each reporting period its ability to continue as a going concern. A company's ability to continue as a going concern is dependent on its ability to generate future profitable operations or to obtain the necessary financing to meet its obligations and cover its liabilities for twelve months from the date the financial statements are available for issuance. If a company has no assurance that it will be successful in generating positive cash flows or that sufficient funds can be raised in a timely manner, these conditions indicate the existence of a material uncertainty which casts doubt about the

company's ability to continue as a going concern.

Due to the nature of the Company's business, working capital is required to support the Company's legal and regulatory compliance costs, as well as its normal operating costs. During the period from inception through October 12, 2021, the Company's operations have mostly been funded by Ledger Holdings, which raised capital primarily through private sales of equity. On October 13, 2021, Ledger Holdings was acquired by West Realm Shires Inc, which is also the parent of FTX.US, and at that point up until the FTX Bankruptcy, LedgerX's operations were primarily funded by capital contributions from West Realm Shires Inc. and its subsidiaries. However, the Company believes there is sufficient cash flows to meet operating expenses and obligations through the next twelve months and could take certain actions, if necessary, to reduce operating expenses and/or operating cash flows.

Fair Value Measurement and Fair Value of Digital Assets

LedgerX's digital assets and liabilities, including its Bitcoin and Ethereum held, are recorded at fair value at December 31, 2022.

To determine the principal market for a digital asset, the Company considers only digital asset exchanges that have sufficient volume and liquidity, have a U.S. presence, have an online platform, and publish transaction price and volume data continuously. The principal market must also be compliant with U.S. federal and state licensing requirements and practices regarding anti-money laundering procedures. The Company reviews and determines its principal market at least annually, or more frequently as needed.

Due to the above requirements as well as other factors, and in accordance with ASC 820 – Fair Value Measurement, the Company has chosen Coinbase, Inc. ("Coinbase") to be the principal market for digital assets at December 31, 2022. The Company determines the fair value of digital assets, in U.S. dollars ("USD"), on its balance sheet using the prevailing spot market price provided by Coinbase on the last day of the accounting period.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2: Inputs are observable, unadjusted quoted prices in active markets for similar assets and liabilities, unadjusted quotes prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and,

Level 3: Unobservable inputs that are supported by little or no market data for the related assets or liabilities.

The categorization of digital assets within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Assets	December 31, 2022			<u>Total</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
Digital assets owned, at fair value*	--	\$38,819	--	\$38,819

**At December 31, 2022, Bitcoin and Ethereum were the only digital assets held by LedgerX.*

Investment in LedgerPrime Digital Asset Opportunities Fund, LLC

The Company's investment in the LedgerPrime Digital Asset Opportunities Fund, LLC (the "Fund") is reported at fair value. U.S. GAAP guidance provides for the use of net asset value ("NAV") as a "Practical Expedient" for estimating the fair value of alternative investments. NAV reported by the Fund's Administrator is used as a practical expedient to estimate the fair value of the Company's investment therein.

On January 28, 2022, LedgerX and LedgerPrime LLC ("LedgerPrime") approved a request to transfer 100% of LedgerX's interest in the Fund, valued as of December 31, 2021, to LedgerPrime with an effective date of January 1, 2022. In consideration of the transfer, LedgerX received \$2.8M in cash in January 2022 from West Realm Shires Services Inc, on behalf of LedgerPrime.

Subsequent to that transaction, LedgerX carried no investment in the Fund and therefore the balance on the Statement of Financial Condition at December 31, 2022 was zero.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of highly liquid investments with a maturity of three months or less at the time of purchase, at various banks.

The Company currently maintains proprietary operating cash accounts at federally insured U.S. banks in checking accounts, money market funds, or other highly liquid short-term investments that are easily accessible and readily convertible into cash. The Company places its deposits with highly rated financial institutions; however, a portion of these investments may exceed FDIC-insured levels from time to time.

Cash and cash equivalents totaled approximately \$123.0M at December 31, 2022. Cash held for the operations of the business was approximately \$15.3M at December 31, 2022.

The Company also maintains cash which is not available for general business purposes because of regulatory or other restrictions. Under CFTC Regulation §39.11(a)(2), the Company is required to maintain sufficient liquid resources to cover at least one year of projected operating expenses. At December 31, 2022, the Company had approximately \$14.6M in cash, including a buffer, reserved in order to satisfy its regulatory capital

requirement for the combined SEF, DCO, and DCM. This cash was included in cash and cash equivalents. The Company also held \$75M in cash, which is intended to be distributed to West Realm Shires Inc., and was included in cash and cash equivalents.

Participant margin deposits consist of participant U.S. dollar (“USD”) margin deposits of approximately \$17.2M, which are held in a LedgerX participant custody account (“Custody Account”) and are appropriately segregated from LedgerX proprietary operational accounts (“LedgerX Proprietary Account”). The only transfers between the Custody Account to a LedgerX Proprietary Account are the withdrawal of fees owed from participants to LedgerX. Fees are accrued during the month and are transferred to the LedgerX Proprietary Account after the month-end date.

ACH reserve deposits consist of approximately \$0.9M in U.S. dollars (“USD”). LedgerX’s clearing house acts as a counterparty to all trades consummated on a third-party exchange, KalshiEX LLC (“Kalshi”). These trades are fully collateralized in USD and in order to trade on Kalshi, a participant must deposit USD to LedgerX’s Custody Account via wire or via the Automated Clearing House network (“ACH”). For participants that select to deposit via ACH, there is default risk on their deposits due to lack of liquidity, operational failure or other reasons. In order to ensure the full collateralization of trading with Kalshi participants, the Company has required Kalshi to set aside a reserve to cover any such potential participant defaults, and we establish and monitor thresholds and reserve requirements for such a reserve. Currently, the Kalshi reserve requirement is \$1.0M.

Cash and cash equivalents cash at December 31, 2022 was as follows:

Cash and cash equivalents	\$104,874,987
Participant margin deposits	17,172,195
ACH reserve deposits	908,833
Total	\$122,956,015

4. PARTICIPANT MARGIN DEPOSITS

Full-Collateralization

Generally, participant agreements require that accounts and transactions be fully-collateralized, which requires that participants post sufficient cash (USD) and/or digital asset margin deposits prior to trade execution in order to satisfy the maximum potential loss on all open positions. In addition, Participants may opt into a collateral netting system that allows a Participant’s required collateral for a given option to be netted with the Participant’s other options of the same type and term. In all cases, LedgerX still holds the maximum potential loss on the entire portfolio of positions.

Cash participant margin deposit balances are recorded as an asset and offsetting liability (participant margin deposits) on the statement of financial condition. Bitcoin and Ethereum

margin deposits are not reflected on the financial statements, and instead are recorded off-balance sheet. Cash and digital assets held as participant margin deposits at fair value at December 31, 2022, were as follows:

Cash participant margin deposits	\$17,172,195
Digital asset margin deposits	<u>\$42,920,096</u>
Total	<u>\$60,092,291</u>

LedgerX maintains custody of participant digital asset margin deposits on behalf of participants to support their trading portfolio. The Company has control of the participant's crypto, held at BitGo Trust on behalf of LedgerX (for cold wallets) and BitGo by LedgerX (for hot and warm wallets). Participant digital asset margin deposits are maintained in the Company's participant digital wallets and are not commingled with LedgerX's proprietary digital assets. The Company uses consolidated wallets to pool participants' digital assets but maintains a separate ledger to designate each participant's digital asset balance. At December 31, 2022, Bitcoin and Ethereum were the only two digital assets held by the Company and traded on the exchange.

5. ACH RESERVE DEPOSITS

The clearing house performs the role of central counterparty ("CCP") to each trade matched by exchanges that clear through the clearing house, including Kalshi. The original trade between a buyer and seller is novated such that the CCP steps between the initial parties to become their new substitute counterparty. In that way, the clearinghouse becomes the buyer to every seller and the seller to every buyer, thereby ensuring the future performance of all open contracts. The clearing house is able to sustain this role by having precisely equal and offsetting claims to and from participants on the opposite sides of each contract.

Currently, the clearinghouse also ensures its ability to perform the role of CCP by requiring that all funds and other assets needed to perform a trade be on deposit with the clearing house before a trade is accepted for clearing (i.e., fully collateralized trading). Kalshi's acceptance of deposits using the ACH system introduces some potential risk that funds deposited in that way could be returned to the originating account after a trade has been matched and cleared. The clearing house has managed that risk by requiring that Kalshi and its parent company guarantee the clearing house against any ACH returns. The Company requires Kalshi to maintain two separate reserves; the first for internally processed ACH transfers and the second for third-party processed ACH transfers. The Company is authorized to use these reserves to fund ACH-related losses.

The clearing house maintains a daily ledger of the ACH return balance and provides notices to Kalshi of any amounts used to fund ACH-related losses. If the ACH reserves fall below a certain threshold, the Company will send a notice to Kalshi to fund the ACH reserves to the required reserve amount. After such notices, Kalshi is required to deposit additional collateral to increase the required reserve amount.

At December 31, 2022, ACH reserve deposits, deposited by Kalshi, were approximately \$2.3M and are recorded on the accompanying Statement of Financial Condition.

6. ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables are contractual rights to receive cash on fixed or determinable dates, and are recognized as an asset on the Statement of Financial Condition. Accounts and other receivables consist of trade receivables, clearing service setup fee receivables, ACH reserve deposit receivables and other receivables.

Trade receivables represent the trading fees earned by the Company and are typically received one business day after the end of each month. Trade receivables also include other receivables from the Company's clearing customer(s) and are typically received within five business days from the transaction date.

Clearing service setup fee receivables represent the fee earned by the Company under Clearing Service Agreements. These are typically paid within five business days of execution date.

ACH reserve deposit receivables represent cash on deposit with a third-party ACH service provider. This deposit is used to reimburse the Company's ACH service provider for any transaction-related losses that may be incurred while providing services to our clearing partner(s) and is funded in full by a portion of the ACH reserve deposits set forth in the section above.

The allowance for doubtful accounts is calculated based on management's assessment of future expected losses over the life of the receivable, historical trends and the current economic environment within which we operate. The allowance for doubtful accounts at December 31, 2022, was zero.

7. MEMBER'S EQUITY

A. Member's Equity and Regulatory Capital

Under CFTC Regulation §39.11(a)(2), LedgerX is required to maintain sufficient liquid resources to cover at least one year of projected operating expenses.

At December 31, 2022, LedgerX had approximately \$14.6M in cash reserved in order to satisfy its regulatory capital requirement for the combined SEF, DCO, and DCM, as explained above in Note 3.

B. West Realm Shires and FTX Trading Equity Incentive Plans

On October 13, 2021 (the "acquisition date"), the acquisition of Ledger Holdings by FTX.US closed. Specifically, West Realm Shires Inc., the parent of FTX.US, acquired 100% of the outstanding shares of Ledger Holdings, including payments to shareholders of options in consideration of the cancellation of such options. As of the acquisition date, West Realm Shires Inc. is the 100% owner of Ledger Holdings and as such, the Ledger Holdings

equity incentive plan, dated May 19, 2014, was terminated.

As part of the acquisition, employees of LedgerX became eligible for two different equity incentive plans: (1) the 2020 Equity Incentive Plan adopted by West Realm Shires Inc. (the “WRS Plan”), and (2) the 2020 Umbrella Equity Incentive Plan adopted by FTX Trading Ltd. (the “FTX Plan” and together with the WRS Plan, the “Plans”), which includes two sub-plans, one for US employees and one for non-US employees. The Plans provide for the grant of options, restricted stock units and stock appreciation rights (“SARs”) to attract, retain and motivate eligible persons who present current and potential contributions to the success of FTX Trading Ltd. and West Realm Shires Inc. As of the date of the merger and thereafter, FTX Trading Ltd. and West Realm Shires Inc. issued options pursuant to the Plans. The terms and conditions of each option award, including a typical 4-year vesting schedule with a 1-year cliff, restrictions or limitations and any vesting acceleration (whether upon a change in control or otherwise), or forfeiture waiver regarding any award and the shares relating thereto, were determined by the FTX Trading Ltd. and West Realm Shires Inc. Boards or any relevant board-appointed committee.

On November 11, 2022, and November 14, 2022, FTX Trading Ltd., West Realm Shires Inc., and other affiliated entities filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. As a result, the Company assessed the fair value of the stock options issued to LedgerX employees to be near, if not at, zero and therefore ceased recording stock option compensation costs.

8. COMMITMENTS AND CONTINGENCIES

A. Commitments

In the ordinary course of business, the Company may enter into certain unconditional purchase obligations which are agreements to purchase goods or services that are enforceable, legally binding, and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the purchase transaction.

B. Legal Matters

From time to time, the Company may be involved in legal matters which are handled in the ordinary course of business. Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter, the Company will accrue the anticipated loss amount. The Company continuously monitors litigation proceedings as they develop and adjusts any accrual or disclosure as needed. As of December 31, 2022, the Company reserved against risk related to a former employee dispute, which was included in the Statement of Financial Condition.

As a result of the FTX Bankruptcy, the FTX bankruptcy estate assesses any and all claims the bankruptcy estate could have against any parties of interest, for clawbacks on payments that were made in a specified time period before the bankruptcy filing, including

LedgerX. The resulting impact and materiality of any such clawbacks on the Company's financial statements cannot be reasonably determined at this time.

9. RELATED PARTY TRANSACTIONS

In accordance with the *Intercompany Services Agreement between Ledger Holdings Inc. and LedgerX LLC* ("Intercompany Services Agreement"), dated November 11, 2015, LedgerX is required to reimburse Ledger Holdings on an annual basis for all expenses incurred by or on behalf of LedgerX, subject to policies, procedures or resolutions adopted by the Ledger Holdings Board. During the year ended December 31, 2022, LedgerX incurred approximately \$2.4M in management charge expenses which are included within the accompanying Statement of Operations and Statement of Financial Condition. All services under the Intercompany Services Agreement ceased as of the date of the filing of the FTX Bankruptcy.

In accordance with the *Intercompany Services Agreement* between FTX.US and LedgerX, dated October 13, 2021, the Company is required to pay FTX.US a service fee with respect to the services provided by FTX.US on behalf of LedgerX. These services include, but are not limited to, AML/KYC services, general and administrative services and any other services as may be reasonably called for as the scope of the consulting services evolves. During the year ended December 31, 2022, LedgerX incurred approximately net \$354K in services between FTX.US which are included in within the accompanying Statement of Operations and Statement of Financial Condition. All services under the Intercompany Services Agreement ceased as of the date of the filing of the FTX Bankruptcy.

On January 28, 2022, LedgerX and LedgerPrime approved a request to transfer 100% of LedgerX's interest in the Fund, valued as of December 31, 2021, to LedgerPrime with an effective date of January 1, 2022. In consideration of the transfer, LedgerX received \$2.8M in cash in January 2022 from West Realm Shires Services Inc, who was acting on behalf of LedgerPrime. LedgerX deposited the cash from this transaction into its regulatory reserve which was included in Cash and Cash Equivalents in the accompanying Statement of Financial Condition at December 31, 2022.

At various times throughout 2022, Ledger Holdings made intercompany payments to LedgerX for a total of \$27.3M to be used for operating cash at LedgerX.

On October 1, 2022, Ledger Holdings sold 100% of its membership interest in LedgerPrime to Alameda Research LLC, which had the same majority owner as West Realm Shires Inc. Prior to this transaction, LedgerPrime was wholly owned by Ledger Holdings. After this transaction, LedgerX is the only entity wholly owned by Ledger Holdings.

On November 11, 2022, and November 14, 2022, various affiliated FTX entities (including LedgerPrime and the Fund) filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. Following the bankruptcy filings, LedgerPrime and the Fund ceased to be participants on the LedgerX platform. LedgerX plans to distribute any remaining deposits owed to LedgerPrime

and the Fund upon the instructions of management and counsel to the FTX debtor entities.

At December 31, 2022, LedgerPrime's margin deposits, at fair value, on the LedgerX platform were approximately \$0.1K. During the year ended December 31, 2022, transaction and clearing fees generated from LedgerPrime were less than \$0.1K. At December 31, 2022 the Fund's margin deposits, at fair value on the LedgerX platform were approximately \$3.1M. During the year ended December 31, 2022, transaction and clearing fees generated from the Fund were approximately \$5K.

On December 28, 2022, LedgerX distributed \$175.0M cash to West Realm Shires Inc., which distribution constituted a partial return of \$250.0M that West Realm Shires Inc. had previously transferred to LedgerX in connection with its prior application with the CFTC to offer products that are not fully collateralized. The distribution was recorded on the accompanying Statement of Changes in Member's Equity and Statement of Cash Flows.

Expenses paid to LedgerX's independent board of directors were \$234K during the year ended December 31, 2022, and are recorded within Professional Fees in the accompanying Statement of Operations.

10. CENTRAL COUNTERPARTY FUNCTION

LedgerX performs a central counterparty function that ensures the financial integrity of the markets in which it clears contracts by ensuring that the obligations of these contracts are fulfilled.

When orders are successfully matched, LedgerX's clearing house, through the process of novation, is substituted as seller to the participant buying and as buyer to the participant selling the relevant exchange contract. Upon this substitution, the buying and selling participants are released from their obligations to each other, effectively eliminating counterparty credit risk between the participants, and are deemed to have bought the exchange contract from or sold the exchange contract to the LedgerX clearing house. LedgerX's clearing house then obtains all the rights and is subject to all the liabilities of the participants with respect to those transactions. At December 31, 2022, the fair value of the open interest contracts cleared and settled by LedgerX was approximately \$3.0M.

All participant accounts and transactions are fully collateralized, which requires that participants post sufficient cash (USD) and/or digital asset margin deposits prior to trade execution in order to satisfy the maximum potential loss on all open positions.

11. REVENUE RECOGNITION

A. Transaction and Clearing Fees

LedgerX generates revenue primarily from transaction and clearing fees for trades executed on its exchange and contracts centrally cleared in its clearing house.

Trading Fees

Trading fees, which are charged in USD as one combined fee on a per contract basis, accrue to participants throughout the month, and are then transferred from LedgerX's settlement bank custody account to LedgerX's proprietary operating account after the last business day of the month. Transaction fees are recognized as revenue when a buy and sell order are matched and the trade is cleared; therefore, unfilled or canceled buy and sell orders have no impact on revenue. For the year ended December 31, 2022, transaction fees were approximately \$1.2M and are included within the accompanying Statement of Operations.

At December 31, 2022, the Company's fee schedule was as follows:

Product	Trading Fee
Bitcoin Mini Options*	\$0.15/contract. 1 contract = 0.01 BTC
Bitcoin Mini Futures	\$0.05/contract. 1 contract = 0.01 BTC
Bitcoin Next Day	\$0.05/contract. 1 contract = 0.01 BTC
ETH Deci Options	\$0.15/contract. 1 contract = 0.10 ETH
ETH Next Day	\$0.05/contract. 1 contract = 0.10 ETH

*The fee can never be higher than 20% of the option premium per contract. If \$0.15 is more than 20% of the option premium per contract, the fee will be 20% of the option premium per contract.

Clearinghouse Fees

Clearinghouse fees are charged in USD per contractual agreement with third-party exchanges, including Kalshi. Clearinghouse fees also include the recognition of contract liabilities, which consists of setup fees, over the term of individual third-party contracts in accordance with ASC 606, for those exchanges that have been launched and are actively cleared through the Company's clearinghouse, which also includes Kalshi.

On November 25, 2020 the Company entered into a Clearing Service Agreement with [REDACTED], whereby the Company could receive two non-refundable setup fees. The Company received the initial non-refundable setup fee of [REDACTED], and

according to the terms of the CSA as modified by a February 10, 2022 Investment Side Letter, a second non-refundable setup fee of [REDACTED] was due as of December 31, 2022. Both setup fees were recorded within contract liability in the accompanying Statement of Financial Condition and will be recognized over the 2-year initial term of the Clearing Services Agreement, once the launch date has been met.

On December 23, 2022, the Company executed a Clearing Services Agreement with [REDACTED], to provide clearing services for their future Designated Contract Market. In January 2023, [REDACTED] paid a [REDACTED] setup fee that was recorded within contract liability in the accompanying Statement of Financial Condition that will be recognized over the 3-year initial term of the contract once the launch date has been met.

For the year ended December 31, 2022, clearinghouse fees were approximately \$404K and are included within the accompanying Statement of Operations.

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the year ended December 31:

	2022
Performance obligations satisfied at a point in time	\$1,196,761
Performance obligations satisfied over time	403,990
Total	\$1,600,751

The timing of revenue recognition, billings and cash collections results in billed accounts receivable and customer setup fees (contract liabilities) on the Statement of Financial Condition. Certain Clearinghouse setup fees are billed upfront before revenue is recognized, which result in contract liabilities. These liabilities are recognized on the Statement of Financial Condition on a contract-by-contract basis upon commencement of services under the CSA. These upfront setup fees are recognized as revenue over time as the obligations under the contracts are satisfied. At the beginning of the year January 1, 2022, contract liabilities were \$675K. For the year ended December 31, 2022, contract liabilities were \$1.3M and are included within the accompanying Statement of Financial Condition.

B. Withdrawal Fees

Fees for digital asset withdrawals are charged in the respective digital asset at the time of withdrawal. Fee revenue is recognized as these services are rendered. During the year ended December 31, 2022, LedgerX charges no USD withdrawal fees and no wire fees.

At December 31, 2022, the BTC withdrawal fee is 0.00025 BTC and the ETH withdrawal fee is 0.0004 ETH. At the end of every applicable reporting period, the withdrawal fees are translated into USD denomination using the prevailing spot market price on the last day after the reporting period. For the year ended December 31, 2022, withdrawal fees were approximately \$26K and are included within the accompanying Statement of

Operations.

C. Unrealized Gains/(Losses) On Digital Assets

The Company's digital assets and liabilities, including its Bitcoin and Ethereum owned, are recorded at fair value under ASC 330 Inventories. Digital assets and liabilities are marked to market as described above in note 2 "Fair Value Measurement and Fair Value of Digital Assets". The fair valuing of the Company's Bitcoin and Ethereum held, which are owned in order to facilitate the processing of participant transactions to the Bitcoin and Ethereum network, may result in recorded net unrealized gains or losses. Digital asset gains or losses are not in scope for Topic 606 as they are not generated from contracts with customers.

12. EXPENSES

A. Communication and Technology

Communication and technology expense consist of cost related to support the Company's operations, including the costs required to maintain our hardware and software. It also includes costs related to our third-party digital wallet, our cloud computing platform and fees paid for access to external market data. These expenses are variable and may be driven by system capacity, functionality, and business growth.

B. Withdrawal and Bank Fees

Withdrawal fees relate to the network transaction fees the Company pays to process physical collateral withdrawals. The network fee necessary for a transaction to confirm fluctuates over time depending on the supply and demand in the digital asset's free market for block space. At the end of every applicable reporting period, the withdrawal fees are translated into USD denomination using the prevailing spot market price on the last day of the applicable reporting period.

Bank fees are based on an agreed-upon USD per transaction cost, and may include certain minimum activity charges or other services fees.

C. Insurance

Insurance expense related to the Company's commercial crime policy are incurred directly by LedgerX. Certain other insurance-related expenses, from which the Company derives a benefit, are incurred by the Parent and are subsequently allocated to the Company via a management charge.

D. Professional Fees and Outside Services


Professional fees and outside services include amounts paid to directors, outside consultants and other service professionals for consulting, as well as legal, regulatory, audit and technology- related services.

E. Income Taxes

The Company is a single-member limited liability company and was structured as a disregarded entity for U.S. federal, state and local income tax purposes. As a subsidiary of Ledger Holdings, LedgerX's activity is included in the U.S. federal, state and local income tax returns of its Parent. Accordingly, no provision for taxes is currently made in the Company's financial statements and there are no uncertain tax positions as of December 31, 2022.

13. SUBSEQUENT EVENTS

Management has evaluated events and transaction that may have occurred since December 31, 2022 through March 28, 2023, the date that the financial statements were available to be issued, and noted no material events requiring either recognition as of December 31, 2022 or disclosure herein for LedgerX, other than the below:

- On January 12, 2023, the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") approved bidding procedures for the potential sale of LedgerX by FTX Trading Ltd. and its affiliate debtors (the "Debtors"). On February 21, 2023, the Debtors filed (i) the proposed form of Sales Order and (ii) the form of the Interest Purchase Agreement, including the form of Disclosure Schedules, for the LedgerX business. On each of March 6, 2023 and March 18, 2023, the Debtors filed notices to revise the bidding process schedule for LedgerX previously filed in the Debtors' bid procedures with respect to LedgerX.
- 
- On February 18, 2023, the former employee dispute was resolved, and the reserve was relieved.
- On March 10, 2023, the California Department of Financial Protection and Innovation, which was appointed receiver by the Federal Deposit Insurance Corporation ("FDIC"), closed Silicon Valley Bank. On March 12, 2023, the FDIC announced all depositors of Silicon Valley Bank were made whole and would have access to their money beginning March 13, 2023. On March 13, 2023, the FDIC transferred all deposits – both insured and uninsured – from Silicon Valley Bank to a newly created, full-service FDIC operated "bridge bank" titled Silicon Valley Bridge Bank, N.A. in an action designed to protect all depositors of Silicon Valley Bank. On March 27, 2023, First Citizens Bank & Trust Company ("First Citizens") entered into a whole bank purchase of Silicon Valley Bridge Bank N.A. The bank continues to operate as a nationally chartered bank. The Company has access to the full cash balance maintained at Silicon Valley Bank and is evaluating

establishing bank accounts at other banks, and is in discussions with a number of institutions.

- On March 10, 2023, prior to the FDIC announcing all depositors would be made whole, the Company transferred all USD cash in custody at Silicon Valley Bank for [REDACTED]. Prior to the transfer, the Company stopped processing ACH transactions internally and transferred all ACH processing to its third-party ACH processor. [REDACTED]
- On March 12, 2023, the Federal Reserve Board and FDIC, under the systemic risk exception, closed Signature bank and transferred all the deposits to Signature Bridge Bank N.A., which is a full-service bank that is operated by the FDIC as it markets the institution to potential bidders. On March 19, 2023, the FDIC entered into a purchase and assumption agreement for substantially all deposits of Signature Bridge Bank N.A. by Flagstar Bank N.A. ("Flagstar"), a wholly owned subsidiary of New York Community Bancorp, Inc. On March 30, 2023, the Company was notified its accounts did not transfer to Flagstar; because of this, the Company plans to transfer its remaining cash at Signature bank to new or existing banks. The Company expects to transfer the full cash balance maintained at Signature Bank.
- On March 13, 2023, LedgerX distributed \$69M to West Realm Shires Inc.

LedgerX LLC
Statement of Financial Condition
As of February 28, 2023

Feb-23

ASSETS

Cash and Cash Equivalents	
Operational Cash	\$13,192,650
Cash for the Benefit of Parent	75,065,678
Collateral Cash	125,000
Restricted Cash	14,659,616
Cash Held at Exchanges	30,021
MicroDeposits Cash	195
Participant Margin Deposits	13,538,161
ACH Reserve Deposits	977,998
Total Cash and Cash Equivalents	\$117,589,321
Accounts Receivable	\$149,637
Trading Fee Receivable	33,935
Intercompany Receivables	50,500
Due From Affiliates	36,000
Digital Assets Owned, at fair value	53,791
Prepaid Expenses	1,096,181
ACH Reserve Deposit Receivable	1,312,266
Digital Assets Reserved for Participants, at fair value	48,643,534
Total Other Current Assets	\$51,375,843
TOTAL CURRENT ASSETS	\$168,965,164
Security Deposits	8,963
TOTAL ASSETS	\$168,974,126

LIABILITIES & MEMBER'S EQUITY**LIABILITIES**

Accounts Payable	\$584,552
Intercompany Payable	3,317,528
Credit Card Payable	76,617
Total Accounts Payable	\$3,978,697
Due To Affiliates	\$561,899
Accrued Liabilities	2,179,532
Participant Margin Deposits (L)	13,538,161
ACH Reserve Deposits (L)	2,290,265
Digital Assets Reserved for Participants (L), at fair value	48,643,534
Total Other Current Liabilities	\$67,213,392
TOTAL CURRENT LIABILITIES	\$71,192,088
Deferred Revenue	1,136,667
TOTAL LIABILITIES	\$72,328,755

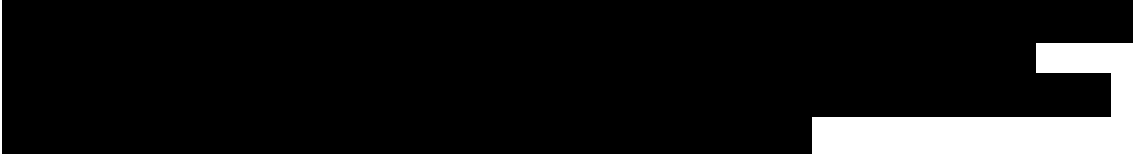
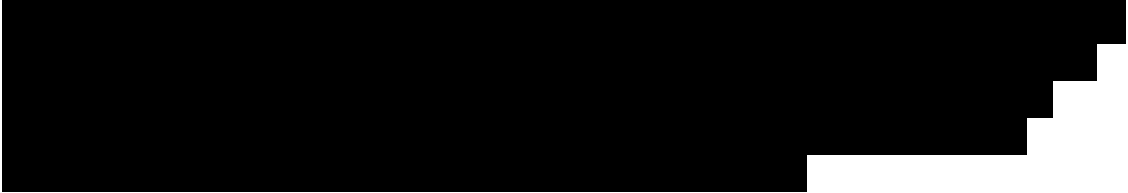

MEMBER'S EQUITY

Member's Contributions and Units	\$137,608,536
Retained Earnings / (Accumulated Deficit)	(38,830,418)
Net Income	(2,132,746)
TOTAL MEMBER'S EQUITY	\$96,645,371
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$168,974,126

Schedule 2.6(b)
Financial Statements and Financial Matters

1. The disclosure set forth in Item # 1 of Section 2.7 of these Schedules is hereby incorporated by reference.

Schedule 2.7
Litigation

1. 
2. 
3. 
4. The disclosure set forth in Section 2.13 of these Schedules is hereby incorporated by reference.

Schedule 2.8
Employee Benefits

2.8(a)

1. TriNet Select 401(k) Plan
2. TriNet HR III, Inc. Employee Benefit Plan
 - a. medical
 - b. dental
 - c. vision
 - d. basic life and AD&D insurance
 - e. supplement life insurance
 - f. supplemental AD&D
 - g. disability insurance
 - h. health care or dependent day care flexible spending account (FSA)
 - i. health savings account (HSA)
 - j. commuter benefits
 - k. voluntary benefits
 - i. accident insurance through Aflac
 - ii. critical illness insurance through Aflac
 - iii. hospital indemnity insurance through Aflac
 - iv. home & auto insurance through Farmers
 - v. pet insurance through MetLife
 - vi. legal plan through MetLife
 - vii. personal excess liability coverage through Chubb
 - viii. identity theft protection through IdentityForce
 - ix. commuter benefits through HealthEquity
3. TriNet Services Requisition Form, dated January 28, 2021, between TriNet HR III, Inc. and the Seller, as amended by the TriNet Services Agreement Addendum, dated January 28, 2021
4. Offer Letter between the Company and each of the following individuals (as may be modified by the Employee Claim Waiver):
 - a. [REDACTED], dated August 2, 2022
 - b. [REDACTED], dated January 6, 2023 (the “[REDACTED] Offer Letter”)
 - c. [REDACTED], dated March 3, 2023

- d. [REDACTED], dated June 17, 2021
 - e. Jerome Kemp, dated December 3, 2021
 - f. Jill E. Sommers, dated August 13, 2022 and effective as of August 18, 2022
5. (a) Offer Letter between the Seller and [REDACTED], dated May 7, 2021, as amended by (b) the Offer Letter between the Company and [REDACTED], dated February 2, 2023 (as each may be modified by the Employee Claim Waiver and as amended, the “[REDACTED] Offer Letter”)
6. Offer Letter between the Seller and each of the following individuals (as may be modified by the Employee Claim Waiver):
- a. [REDACTED], dated November 14, 2019
 - b. [REDACTED], dated March 31, 2020
 - c. [REDACTED], dated April 23, 2018
 - d. [REDACTED], dated May 4, 2021
 - e. [REDACTED], dated April 13, 2021
 - f. [REDACTED], dated November 11, 2021
 - g. [REDACTED], dated November 3, 2021
 - h. [REDACTED], dated January 18, 2022
 - i. [REDACTED], dated April 1, 2022
 - j. [REDACTED], dated April 1, 2022
 - k. [REDACTED], dated February 3, 2021
 - l. [REDACTED], dated February 4, 2021
 - m. [REDACTED], dated December 20, 2019
 - n. [REDACTED], dated June 14, 2021
 - o. [REDACTED], dated October 28, 2021
 - p. [REDACTED], dated November 15, 2019
 - q. [REDACTED], dated June 6, 2020
7. Consulting Agreement between the Company and [REDACTED], dated July 8, 2022
8. Independent Contractor Agreement between the Company and each of the following individuals:
- a. [REDACTED], dated July 7, 2021
 - b. [REDACTED], dated January 30, 2023
 - c. [REDACTED], dated November 22, 2021
 - d. [REDACTED], dated February 21, 2022

9. Independent Contractor Agreement between the Seller and [REDACTED], dated October 1, 2019

10. Proprietary Information and Inventions Agreement between the Seller and each of the following individuals:

- a. [REDACTED], dated February 19, 2014
- b. [REDACTED], dated November 14, 2019
- c. [REDACTED], dated April 1, 2020
- d. [REDACTED], dated April 23, 2018
- e. [REDACTED], dated May 5, 2021
- f. [REDACTED], dated May 3, 2021
- g. [REDACTED], dated November 15, 2021
- h. [REDACTED], dated November 4, 2021
- i. [REDACTED], dated August 2, 2022
- j. [REDACTED], dated January 18, 2022
- k. [REDACTED], dated April 4, 2022
- l. [REDACTED], dated April 7, 2022
- m. [REDACTED], dated February 9, 2021
- n. [REDACTED], dated March 11, 2021
- o. [REDACTED], dated January 6, 2023
- p. [REDACTED], dated January 25, 2020
- q. [REDACTED], dated June 28, 2021
- r. [REDACTED], dated October 31, 2021
- s. [REDACTED], dated May 13, 2021
- t. [REDACTED], dated February 7, 2023
- u. [REDACTED], dated June 9, 2020

11. Proprietary Information and Inventions Agreement between the Company and [REDACTED], dated March 6, 2023

12. The Employee Claim Waivers executed prior to or concurrently with the execution of the Purchase Agreement.

2.8(h)(i)

- 1. If the consummation of the Transactions results in the “not for cause termination” of [REDACTED]’s employment, he is entitled to a severance payment of \$62,500, pursuant to the terms of the [REDACTED] Offer Letter.

2.8(h)(ii)

1. Upon the Closing, [REDACTED] is entitled to a \$50,000 payment if she remains employed by the Company at that time, pursuant to the terms of the [REDACTED] Offer Letter.

Schedule 2.9
Labor Matters

2.9(b)

1. The disclosure set forth in Item # 3 of Section 2.7 of these Schedules is hereby incorporated by reference.

2.9(c)

1. The disclosure set forth in Item # 3 of Section 2.7 of these Schedules is hereby incorporated by reference.

2.9(d)

1. The disclosure set forth in Item # 3 of Section 2.7 of these Schedules is hereby incorporated by reference.

Schedule 2.10
Compliance with Laws; Permits

2.10(a)

1. The disclosures set forth in Section 2.7 of these Schedules are hereby incorporated by reference.

2.10(b)

1. The disclosures set forth in Item #s 1–2 of Section 2.7 of these Schedules are hereby incorporated by reference.
2. For the avoidance of doubt, the Company acknowledges that it does not provide services to futures customers or cleared swaps customers, or to futures commission merchants other than for their proprietary account, in each case as these terms are defined under the CFTC regulations.

Schedule 2.11
Material Contracts

2.11(a)(ii)

1. Clearing Services Agreement, dated as of May 24, 2020, by and between KalshiEX LLC and the Company, as amended on June 19, 2020 and June 21, 2020, and as supplemented by the ACH Reserve Supplement, dated as of May 20, 2021, and as further supplemented by the Supplement to Clearing Services Agreement to Facilitate Acceptance of Fully Settled Funds, dated as of August 2, 2022 (the “KalshiEX CSA”)

2. [REDACTED]

2.11(a)(iv)

1. Intercompany Services Agreement between the Company and West Realm Shires Services Inc., dated November 2, 2021 and effective October 13, 2021
2. Intercompany Services Agreement between the Company and the Seller, dated January 1, 2015
3. The disclosures set forth in Item #s 1–5 and 11 of Section 2.8(a) of these Schedules are hereby incorporated by reference.
4. Engagement Letter, dated November 19, 2022, by and between Simpson Thacher & Bartlett LLP (“STB”) and [REDACTED], acknowledged by the Company as to the timely payment of STB fees and expenses.
5. Engagement Letter, dated March 22, 2023, by and between STB and [REDACTED], acknowledged by the Company as to the timely payment of STB fees and expenses.

2.11(a)(v)

1. KalshiEX CSA
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]

2.11(a)(vii)

1. Bank Services Cash Pledge Agreement, dated as of May 12, 2021, by and between the Company and Silicon Valley Bank (the “SVB Cash Pledge Agreement”)

2.11(a)(viii)

1. SVB Cash Pledge Agreement
2. KalshiEX CSA

2.11(a)(x)

1. Agreement and General Release, dated February 18, 2023, between former employee and the Company

2.11(a)(xi)

1. Independent Contractor Agreement between the Seller and each of the following individuals:
 - a. Saad Talaat, dated April 22, 2019
 - b. [REDACTED], dated October 1, 2019
 - c. Umberto Garozzo, dated June 8, 2020
 - d. Luis Del Giudice, dated June 1, 2020
2. Independent Contractor Agreement between the Company and each of the following individuals:
 - a. [REDACTED], dated July 7, 2021
 - b. [REDACTED], dated January 30, 2023
 - c. [REDACTED], dated November 22, 2021
 - d. [REDACTED], dated February 21, 2022
3. Gun.io Orbit (Monthly Subscription) Agreement between the Company and Gun.io, Inc., dated June 2, 2021
4. Consulting Agreement between the Company and [REDACTED], dated July 8, 2022

2.11(a)(xii)

1. AWS Customer Agreement, between Amazon Web Services, Inc. and the Seller, dated November 1, 2018
2. Amazon Compute Service Level Agreement, between Amazon Web Services, Inc. and the Seller, dated February 12, 2018
3. Custodial Services Agreement, dated March 1, 2020, between BitGo Trust Company, Inc. and the Company
4. Cloudflare Self-Serve Subscription Agreement, between Cloudflare, Inc. and the Seller, dated October 26, 2018, available at <https://www.cloudflare.com/terms/>

5. Customer Agreement, dated May 22, 2017, between Iron Mountain Information Management, LLC and the Seller
6. Supply of Services Agreement, dated December 11, 2020, between Digital Asset Services Ltd. (d/b/a CoinCover) and the Company
7. Box Terms of Service, between Box, Inc. and the Seller, dated April 1, 2018, available at <https://www.box.com/legal/termsofservice>
8. Google Apps Enterprise Agreement and Order Form between Google Inc. and the Seller, dated April 1, 2014
9. Customer Agreement between the Seller and Modern Treasury Corp., dated July 9, 2020
10. Services Agreement (including Order Form) between Persona Identities, Inc. and the Seller, dated April 21, 2021
11. Amended and Restated Custodial Services Agreement, dated February 24, 2021, between Gemini Trust Company, LLC and the Company
12. NetSuite Order Estimate between the Seller and Oracle America, Inc., dated March 13, 2018; Fixed Price Statement of Work between the Seller and Oracle America, Inc., dated March 13, 2018, including the Professional Services Agreement referenced therein; and Subscription Services Agreement between the Seller and Oracle America, Inc., dated March 13, 2018
13. GitLab Subscription Agreement, between GitLab Inc. and the Seller, dated July 1, 2018, available at <https://about.gitlab.com/handbook/legal/subscription-agreement/>; Amendment Order Form, between GitLab Inc. and the Seller, dated July 11, 2022
14. Member Property Letter, dated as of June 8, 2021, by and between the Company and Silicon Valley Bank
15. Bank Depositor Agreement (Business Deposit Accounts) and Deposit Agreement and Disclosure Statement – Business Accounts, dated April 21, 2021, between the Company and Silicon Valley Bank
16. SVB Cash Pledge Agreement
17. Master Treasury Services Agreement, dated May 6, 2021, between Silicon Valley Bank and the Company
18. Validus Cloud License Agreement (Hosted Application), dated as of November 15, 2022, by and between the Company and Eventus Systems, Inc.
19. KOR Universal Services Agreement, dated as of July 19, 2022, by and between the Company and KOR Financial, Inc., as supplemented by the KOR SDR Reporting Client Addendum, dated as of July 19, 2022, by and between Company and KOR Financial, Inc.
20. Customer Agreement, and Order Form, dated as of December 29, 2022, by and between the Company and TRM Labs, Inc.
21. Orum Services Agreement, dated July 6, 2022, between the Company and Project Midas, Inc. d/b/a Orum
22. Guarantee Agreement, dated as of May 24, 2021, by Kalshi Inc. in favor of the Company

23. Guarantee Agreement, dated as of August 2, 2022, by Kalshi Inc. in favor of the Company

24. [REDACTED]

25. [REDACTED]

26. [REDACTED]

27. Order Form and Master Subscription Agreement, dated December 20, 2022, between the Company and Chainalysis Inc.

28. Master Subscription Agreement, dated November 11, 2022, between the Company and TaxBit Inc.; Order Form, dated November 28, 2022, between the Company and TaxBit Inc.

29. [REDACTED]

30. [REDACTED]

31. LedgerX LLC Designated Contract Market Rules, dated as of November 16, 2022

32. LedgerX LLC Derivatives Clearing Organization Rules, dated as of November 16, 2022

33. LedgerX LLC Swap Execution Facility Rules, dated as of November 16, 2022

34. Member Property Letter, dated as of March 22, 2023, by and between the Company and BitGo Trust Company Inc.

35. Account Agreement, dated March 28, 2023, by and between the Company and Customers Bank; Customers Bank Waiver Indemnification Agreement, dated March 29, 2023, by and between the Company and Customers Bank; Cash Management Master Services Agreement, effective March 29, 2023, by and between the Company and Customers Bank

2.11(a)(xiii)

1. BASIC Contributor Agreement (SEF), dated December 16, 2022, between NFA and the Company

2. BASIC Contributor Agreement (DCM), dated December 16, 2022, between NFA and the Company

Schedule 2.12
Real Property

1. The Company is party to that certain Membership Agreement, dated November 18, 2022, with Industrious Mia 1111 Brickell Avenue LLC for shared office space (the “Industrious Agreement”). Pursuant to Section 1(i) of the Membership Terms and Conditions of the Industrious Agreement, the agreement is a license only and does not constitute a lease.





Schedule 2.13
Taxes

1. On November 3, 2022, the Seller was issued a request for more information by the IRS regarding the Seller's consolidated federal income tax return for 2021, specifically regarding the tax period of less than one year. On January 11, 2023, the Seller was issued a notice of examination by the IRS regarding the Seller's consolidated federal income tax return for 2020. On February 1, 2023, the Seller was issued a notice of examination by the IRS regarding the Seller's consolidated federal income tax return for 2019. The Seller's consolidated federal income tax returns for 2019 and 2020 are currently under examination by the IRS. The IRS has expressed to the Seller that it plans to examine the Seller's consolidated federal income tax return for 2021. On March 3, 2023, the Seller was issued a notice of examination by the IRS regarding the Seller's employment tax returns for 2020, 2021, and 2022. The Seller's New York State sales and use tax records for March 1, 2019 – November 30, 2022 are currently under examination by the New York State Department of Taxation and Finance. The Seller is working with its advisors at Ernst & Young with respect to the examinations.

Schedule 2.14
Intellectual Property; Information Technology; Data Privacy

2.14(a)

Trademarks

Current Registered Owner	Jurisdiction	Mark	Registration No.	Registration Date	Status
Seller	US	LEDGERX	5386915	January 23, 2018	Registered
Seller	US	Design Only 	5386914	January 23, 2018	Registered
Seller	EU	LEDGERX	013574017	April 21, 2015	Registered
Seller	Canada	SQUARE (DESIGN) 	1707231	November 16, 2017	Registered
Seller	Canada	LEDGERX	1706948	November 16, 2017	Registered
Seller	United Kingdom	Design Only 	UK00913579016	April 21, 2015	Registered
Seller	United Kingdom	LEDGERX	UK00913574017	April 21, 2015	Registered
Seller	EU	Design Only 	13579016	April 21, 2015	Registered

Domain Names

Current Registered Owner	Domain Name	Registrar
Seller	https://www.ledgerx.com	Amazon Registrar, Inc.

2.14(b)

1. For the avoidance of doubt, Intellectual Property and data currently owned by the Seller that is to be transferred to the Company upon the Closing pursuant to the Intellectual Property Assignment Agreement, Short Form Trademark Assignment Agreement and Short Form Domain Name Assignment Agreement may be used in the conduct of the Company's business as currently conducted.

2.14(f)

1. Occasionally, websites spoof the LedgerX website, or use the LedgerX name and logo to scam unsuspecting individuals. The Company works with domain registration companies to quickly shut down these websites as soon as it becomes aware of any of them.
2. In 2022, an Australian company named NuGenesis created a decentralized cryptocurrency exchange in Australia called LedgerX, with a website at www.ledgerx.exchange. NuGenesis registered for a trademark for the name LedgerX in Australia. The Company engaged Australian counsel to challenge the trademark, but ultimately determined it would be cost-prohibitive to continue the process, given a low chance of success since the Company had not previously operated in Australia.

Schedule 4.1
Interim Operations of the Company

1. For the avoidance of doubt, the Company is expected to distribute its Operating Cash to the Debtors prior to the Closing pursuant to Section 4.15 of the Agreement.
2. [REDACTED]
3. The Company may (a) enter into new banking and custodial relationships and/or open new bank and custody accounts, including entering into any Contract related thereto that would have been a Material Contract if in effect on the date of the Agreement, (b) transfer funds from accounts at Silicon Valley Bank (and its successors) to other depositories in connection therewith and (c) enter into, obtain or amend Contracts relating to existing custody accounts in order to address the treatment of member property, including any such Contract that would have been a Material Contract if in effect on the date of the Agreement.
4. The Company may hire one additional software engineer in the ordinary course, which employee's annual salary, wage rate or consulting fees may exceed \$150,000.
5. The Company may delist contracts from the SEF and list new contracts on the DCM; the Company intends to move the Ethereum daily swap contract from the SEF to the DCM.
6. The Company may enter into new clearing services agreements and customer contracts related to its market surveillance offering, which, if entered into prior to the Execution Date, would be Material Contracts.
7. The Company anticipates signing an AGREEMENT FOR SHARING REGULATORY DATA AND INFORMATION with certain third-party DCMs, SEFs and registered futures associations, including a subsidiary of Guarantor, which if entered into prior to the Execution Date, may constitute a Material Contract.

8. [REDACTED]

Schedule 4.4
Third-Party Consents

4.4(a)

1. The disclosures set forth in Section 2.5(b) of these Schedules are hereby incorporated by reference.

Schedule 6.1(a)
Regulatory Approvals and Deliverables

1. The Parties acknowledge and agree that, for purposes of Section 6.1(a) of the Agreement, matters relating to the Company's agreements with its custodians of member property and the Company's banking relationships in respect of member property shall be deemed not to have been disclosed to the Buyer prior to the Execution Date.